

RESIDENTIAL LOAN ORIGINATOR EMPLOYMENT  
AND COMPENSATION AGREEMENT  
EASTERN/CORPORATE PROGRAMS/WESTERN REGIONS

THIS AGREEMENT is made this 19 day of August, 1996 between  
GMAC MORTGAGE CORPORATION OF PA (herein called "Employer") and  
John M. Gaglia (herein called "Employee").

WHEREAS, Employer is in the business of mortgage banking, and desires to hire and/or retain Employee in its employ to originate real estate trust deed and/or mortgage loans on one-to-four unit properties and other associated products as deemed appropriate by Employer, and

WHEREAS, Employee is ready, willing and able to work for Employer as a Residential Loan Originator, and

WHEREAS, Employee's compensation is determined primarily by way of commissions based upon the origination fees collected for loans originated and closed monthly due to Employee's individual effort, and

WHEREAS, Employer and Employee desire to have an employment agreement directly specifying compensation, termination and other terms of employment,

NOW, THEREFORE, Employer and Employee in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration and intending to be legally bound hereby, agree as follows:

I. EMPLOYMENT

A. GENERAL

Employer hereby hires Employee and Employee hereby accepts employment as a Residential Loan Originator under the terms of this Agreement commencing on the date hereof. In the event of a conflict between the terms and conditions of this Agreement and the terms and conditions of any oral or written employment policy of Employer, the terms and conditions of this Agreement shall govern.

B. LIMITATION OF EMPLOYEE'S AUTHORITY

Employee shall have no authority to issue a loan commitment, modify the terms of a loan commitment or otherwise enter into any contract or agreement which would be binding on Employer without the prior written approval of Employee's Area/Regional Manager.

II. DUTIES AND RESPONSIBILITIES

A. Employee agrees to devote Employee's full time, attention and energy to the position of Residential Loan Originator subject to the direction and control of Employer and shall utilize Employee's best efforts in the representation of this position and the solicitation of clients for Employer.

- B. Employee is employed as an originator to originate real estate trust deed and/or mortgage loans on one-to-four unit properties ("Loans") and to represent Employer with respect to other associated products as deemed appropriate by Employer in the territory designated by Employer. The term "originate" as used in this agreement, includes the taking of applications, coordinating and assisting in the processing and closing of loans and such other duties as set forth in Employee's job description.
- C. Employee agrees not to engage in the sale of or represent any other product or service while employed by Employer including the origination of trust deed and/or mortgage Loans for Employee's own account or for any other mortgage banker or broker. Employee, at all times, will comply with Employer's policies, procedures and code of ethics and the rules, regulations, laws and ethics of the mortgage banking industry, investors, HUD, VA, GNMA, FNMA, FHLMC, local jurisdictions, state and federal governments.
- D. Employee, as a condition of Employee's employment, shall at all times possess a valid motor vehicle driver's license and shall provide evidence thereof at time of employment and thereafter at any time requested by Employer.
- E. Employer's lending policy is to treat all loan applicants in a manner that is fair, reasonable and non-discriminatory. Employee agrees to adhere to the Fair Lending Guidelines attached as an Addendum to this Agreement when originating, processing and closing loans. Failure to comply with the Fair Lending Guidelines can subject Employee to disciplinary action, including termination.

### III. COMPENSATION

Employee shall be entitled to compensation in accordance with the terms of this Agreement. Employee shall not be entitled to any other compensation unless approved in writing, in advance, by the Executive Vice President in charge of residential loan production.

For the services rendered by Employee under this Agreement, Employer shall pay Employee compensation on Loans originated by Employee or other services performed as follows:

#### A. COMMISSIONS ON LOANS

- 1. Spot purchase money Loans [including Non-GMAC Mortgage (or its affiliates) Portfolio Refinances but excluding Brokered Loans and Refinances of loans owned or serviced by GMAC Mortgage (or its affiliates) and Special Programs and Refinances].
  - (a) Commissions - Employee shall receive commissions as set forth in Exhibit A.

- (b) Overages and Shortages - Employee's compensation will be further adjusted based upon the overage or shortage for each Loan (see Exhibit A). An "overage" results when the rate or discount points established by Employee are more than the required rate or discount point schedule for the applicable commitment established by Employer and in effect at the time of lock-in. A "shortage" results when the required rate or discount points established by Employee are less than the rate or discount points schedule for the applicable commitment established by Employer and in effect at the time of lock-in.

Overages, if any, are not to be charged based on any of the prohibited factors set forth in the Fair Lending Guidelines. Neither rates nor points to minorities or other members of a protected class (persons having one or more of the prohibited factors as set forth in the Fair Lending Guidelines) can vary from those charged to nonminority or non-protected class applicants having similar credit profiles. Employee must exercise the utmost diligence to ensure that such variances do not occur. Overages on FHA insured loans can be charged only if there are increased fees or costs to the Employer to make the loan. As part of its auditing procedures, the Internal Audit Department will audit Employee's loan files for compliance with the requirements of this paragraph. To the extent it is determined that overages were imposed in violation of the requirements of this paragraph ("excess overages"), Employee is liable to Employer for the amount of the excess overages. The excess overages will be an Obligation of Employee to be recovered by Employer in accordance with Section III.A.1.(c) of this Agreement.

Overages and shortages shall be calculated at the end of each month and distributed in accordance with Exhibit A.

Unless Employee receives prior written approval from the Branch Manager, Employee shall not quote a price which would result in a shortage. All requests for exceptions are to be sent to the Branch Manager. All reporting of exceptions must be provided to the Regional Manager, Corporate Accounting, Marketing and National Production Administration.

- (c) Payment of Commissions and Overages - Commissions and overages are earned only when (a) the Loan closes, (b) Employee's commission account is reconciled by Employer to offset Obligations (as defined in this Section) and any other sums due Employer from Employee under the terms of this Agreement and (c) the date is reached for the payment of commissions and overages as determined in accordance with the following sentence or Exhibit D, whichever is applicable. For the purposes of this Agreement, a Loan is "closed" when settlement is completed and the mortgage funds are actually disbursed to the Mortgagor. (For example, the closing date for refinances will be on the day the three (3) day right of rescission has expired and the funds are disbursed to the mortgagor). Compensation (as defined in this section) will be paid on the last regularly scheduled payday of the month following the month in which the Loans were closed and funded in the system (subject to offset for any shortages as set forth in Exhibit A). Outstanding uncollected appraisal fees, credit report fees, prepaid commitment fees, excess overages, miscellaneous fees chargeable to the borrower but which Employee failed to collect, Loan closing escrows for completion of work to the mortgaged premises (except those escrows approved in writing by the Branch or Area Manager), reimbursement for expenses and unreimbursed draws are obligations ("Obligations") of Employee to Employer and will be offset against Employee's commissions, overages and unreimbursed Employee expenses (collectively for the purpose of this Section "Compensation") on a monthly basis during the term of Employee's employment whether such employment is pursuant to this Agreement or any prior or future employment agreement. Additional Obligations which Employer may offset against Employee's Compensation in accordance with the foregoing sentence are (i) charges which Employer is hereby authorized to make against Employee's Compensation for losses sustained by Employer; or, if the losses are contingent in nature at the time of an Employee's termination, the amount of potential loss as estimated by Employer's Counsel, resulting from Employee's fraud or violation of Employer's company policies in general or its policies relating to the origination, processing and closing of Loans and (ii) the replacement costs of Employer owned or leased equipment which Employee does not return to Employer after demand. To the extent the Obligations are not

reimbursed in full to Employer prior to Employee's termination of employment, Employer shall be entitled to withhold, to the extent not prohibited by law, any Compensation and other sums due Employee necessary to reimburse Employer in full for the Obligations.

2. Brokered Loans

For Loans that are originated and brokered to another financial institution ("Brokered Loans"), Employee shall receive commissions as set forth in Exhibit A 1. (b) and overages or shortages as set forth in Exhibit A 2. (b). Employee must have the written approval of Employee's Branch and Area or Regional Manager prior to brokering to a financial institution. Except for the compensation payable as provided in Exhibit A 1. (b) and Exhibit A 2. (b), the volume of Brokered Loans shall not be used in the computation of any compensation or other benefit to which a residential loan originator may be entitled.

3. Special Programs

Employer may from time to time make available revenue bond financing programs. Commissions payable for these programs will be established in writing by the Regional Manager at the time of the announcement of the programs.

4. Refinances

A refinance is the making of a loan secured by a first mortgage lien on property owned by the applicant at the time of application. All applications for refinances may be originated, processed and closed in the branch system. Commissions will be calculated and paid in accordance with Exhibit A.1. Overages and shortages will be credited or debited, as applicable, in accordance with Exhibit A 2.

5. GM Employee Loans

An origination fee not to exceed 50BP will be charged on a Loan to an employee of General Motors Corporation or any direct or indirect subsidiary thereof, except that Employee shall not be entitled to an origination fee for Loans to employees of GMAC Mortgage Corporation or any direct or indirect subsidiary thereof. Commissions will be paid in accordance with Exhibit A except that Employee's commissions will be based on an origination fee not to exceed 50bps.

6. Construction to Permanent Loans

A construction to permanent loan ("CPP Loan") is a loan to an individual to construct a single family (1-4 family) dwelling with the intent to modify the loan to a permanent loan provided by Employer. To qualify as a CPP Loan, the loan must meet all the requirements of Employer's Construction/Permanent Program. A CPP Loan does not include a construction credit line for a builder. Commissions will be calculated and paid in accordance with Exhibit A.1. Overages and Shortages will be credited or debited, as applicable, in accordance with Exhibit A.2.

B. DRAWS

Employer may, in some instances, agree to pay Employee a draw as an advance against commissions due or expected to be earned by Employee. The amount of the draw will be determined by the Branch Manager and will be subject to change at any time by the Branch Manager with final approval by Employee's Area or Regional Manager. The maximum draw outstanding at any time shall be limited to \$5,000. The draw will be paid on the first regularly scheduled payday of the month and is not to be considered as salary. Draws received will be offset against commissions and overages. No commission earned by Employee shall be paid to Employee until all draws have been reimbursed to Employer unless otherwise approved by the Regional Manager. In the event commissions and overages earned are not sufficient to reimburse Employer for draws advanced, the deficit will be offset against future commissions and overages before they are earned. In the event of termination of Employee for any reason, Employee shall reimburse Employer for all unreimbursed draws. Upon termination, Employer shall be entitled to withhold any commissions and, to the extent not prohibited by law, any other sums due Employee necessary to reimburse Employer for unreimbursed draws. Deficits are subject to the draw deficit policy established by Employee's Area or Regional Manager and administered by the Branch Manager.

C. OTHER SERVICES

Employee may be entitled to commissions or other forms of compensation for other services performed at the request of Employer. Compensation for the services, if any, is set forth in Exhibit B as the same may be modified from time to time by the Regional Manager.

D. EXPENSE ALLOWANCE

If applicable, Employer shall reimburse Employee for expenses set forth in Exhibit C. A properly completed expense form (with receipts) approved by the Branch Manager must be

submitted to Corporate Accounting within 30 days after the expense is incurred in order to receive reimbursement.

E. MINIMUM PRODUCTION STANDARDS

Employee, as a condition of continued employment with Employer, must meet the minimum production standards as set forth in Exhibit E.

F. CHANGES IN COMPENSATION

Employer may change the amount of compensation to be paid to Employee under any compensation plan set forth in this Section III. by giving written notice of the change to Employee from the Employee's Branch, Area or Regional Manager. The changes shall be effective on the date of the notice and shall apply to Loans closed, services performed or expenses incurred after the date of the notice.

IV. SALES INCENTIVE

From time to time, Employer may sponsor sales incentive programs for Employees. The terms and conditions of the programs including the requirements which must be met to entitle an Employee to an award or bonus will be set forth in the program brochure or memorandum. No award or bonus shall be deemed earned nor shall it be distributed to the Employee unless the Employee is employed by Employer at the time of the scheduled distribution of the award or bonus. No cash equivalents or other substitutions will be made under any circumstances. The award or bonus is not assignable or transferable by Employee during his/her lifetime nor in the event of his/her death.

V. SPECIAL FUNDS

Employee acknowledges and agrees that Employer may, from time to time as the Employer in Employer's sole discretion deems appropriate, establish a special funds program involving an offset to Loan commission (whether the commission is earned or payable before or after termination of Employee's employment) for the purpose of providing a source of funds to be used for programs intended to benefit Employees in Employee's branch. The offset for special funds will be made before the commission on a loan is earned by Employee. The amount by which the commission is reduced shall be within the sole discretion of the Employer but in no event shall it exceed \$50.00 per loan. The reduction shall apply to all Loans closed 15 days after the Area or Branch Manager has given written notice of the special funds program and shall continue for all Loans closed until the Area or Branch Manager notifies Employee in writing of the discontinuance of the special funds program. The special funds shall be the sole property of Employer and Employee shall have no claim or

right to any of the funds either prior to or after termination.

VI.

BENEFITS

Employee is entitled to participate in the employee benefit plans of Employer as described in the GMAC Mortgage Corporation Fringe Benefit Package for Commissioned Salespersons as revised from time to time by Employer.

VII.

LICENSES AND RESTRICTIONS ON USE

An Employee, where required by law or Employer for the conduct of Employer's business, must possess a current real estate salesman's, broker's or mortgage banker's license. The license shall be kept in the Employer's designated office. Any Employee possessing a real estate salesman's or broker's license may not under any circumstances actively sell or participate in any manner as a salesman or broker in the sale of any real property for any real estate firm, developer, broker, land dealer, or home builder, the only exception being the buying and selling of real property belonging to said Employee.

VIII.

TERMINATION

A. AUTOMATIC TERMINATION

This Agreement shall automatically terminate upon the occurrence of any one of the following events:

1. Death of the Employee.
2. Loss of legal capacity by Employee.
3. Termination of employment.
4. Disbarment, suspension or other limitation imposed by HUD, VA, GNMA, FNMA, FHLMC, the Securities and Exchange Commission or any other government agency on the ability of Employee to do business with such agency.
5. Transfer to any non-commissioned position with Employer.

B. WITH OR WITHOUT CAUSE

Employee acknowledges and agrees Employee's employment is "at-will" and that as such this employment agreement may be terminated at any time with or without cause by either party giving notice of termination to the other. Termination will be effective on the date determined in accordance with Exhibit D. Termination by the Employee must be in writing addressed to Employee's Area or Branch Manager.



The provisions of Sections IX, XI, XII, and XVI shall survive any termination under this Section VIII.

IX. COMPENSATION AFTER TERMINATION

Notwithstanding any other provision of this Agreement to the contrary, in the event of the termination of Employee's employment under this Agreement for any reason, Employee shall be entitled to compensation after the date of the termination, if any, only in accordance with Exhibit D.

X. EXISTING EMPLOYMENT

Employee, if an Employee on the date of this Agreement, acknowledges and agrees that Employee's current employment is an employment "at-will" subject to termination at any time by Employer and that the execution of this Agreement shall supersede and replace any written or oral agreement, policy or understanding between Employee and Employer relating to the terms and conditions of Employee's employment.

XI. TRADE SECRETS

Employee acknowledges that the Loan programs, documentation used and developed by Employer for its Loan programs, customer and investor lists, computer software and business and marketing plans (collectively, "Confidential Information") are confidential and valuable trade secrets of Employer. The Confidential Information has been developed through the expenditure of substantial time, effort and money which Employer wishes to maintain in confidence and withhold from disclosure to other persons. Employee hereby agrees that any information, knowledge and factual data related to the Confidential Information which may be given to the Employee by Employer at any time, or from time to time, will not be communicated to any third party, during or after Employee's employment with Employer, except to employees of Employer for their use in performing their duties.

XII. BOOKS AND RECORDS

All Loan applications, training manuals, files and records of the accounts of customers, other records of a business nature, computer software programs, equipment (including telephones, beepers, pagers and cameras), papers, documentation, etc., whether prepared by Employee or otherwise coming into Employee's possession or control, are the exclusive property of the Employer and shall be surrendered to Employer upon termination of this contract. Employee shall not disclose any of the foregoing to any other person or entity either before or after termination of employment.

XIII. AFFILIATES OF EMPLOYER

Recognizing that Employer may conduct its business at various times under one or more different entities, Employee agrees that the provisions of this Agreement shall be for the benefit of and may be enforced by Employer and any of Employer's present or future affiliates as designated by Employer.

XIV. EMPLOYER'S OBLIGATION TO ACCEPT AND/OR CLOSE LOANS

No provision of this Agreement shall be deemed to obligate Employer to accept any Loan application or to close any Loans.

XV. PROGRAM REVIEW AND AMENDMENTS

Employer reserves the right from time to time, by written notice to Employee, to change any of the terms and conditions of this Agreement, including but not limited to the compensation schedules for all loan and ancillary product programs. Unless otherwise set forth herein, such changes shall be binding on Employee effective on the date set forth in the notice. Except for the foregoing provision and the provisions of Section III. F., no change, alteration, amendment, modification or waiver of any of the terms or provisions hereof shall be valid unless the same shall be in writing and signed by the parties hereto. All Exhibits referred to herein and all changes, alterations, amendments, modifications and waivers are incorporated herein by reference.

XVI. NON SOLICITATION

Employee agrees that for a period of nine months after Employee's employment terminates (regardless of the reason for the termination), Employee will not solicit for employment, either directly or indirectly, nor employ any person who is employed by Employer on the date of Employee's termination, nor will Employee advise, encourage or abet any person or entity, either directly or indirectly, to solicit any such employee for employment with someone other than Employer.

XVII. EFFECTIVE DATE

This Agreement shall be effective January 1, 1995 and shall be applicable to all loans closed on or after that date.

XVIII.

SEVERABILITY

In the event any provision of this Agreement shall be held to be illegal, unenforceable or inoperative, as a matter of applicable law, the remaining provisions hereof, to the extent their meaning and construction may be ascertained without the inclusion of the illegal, unenforceable or inoperative provisions, shall remain in full force and effect.

XIX.

ENTIRE AGREEMENT

This Agreement embodies the parties entire Agreement and supersedes and replaces all previously executed employment and compensation Agreements between the parties. Except as otherwise specifically set forth herein, no variations, amendments, modifications or changes to the terms and conditions set forth herein shall be effected unless contained in writing, duly executed by or on behalf of the parties hereto.

XX.

CONSTRUCTION OF AGREEMENT

This Agreement shall be constructed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

XXI.

CAPTIONS

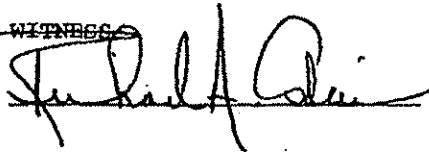
The captions contained herein are inserted only for the purpose of convenient reference and in no way define, limit or describe the scope or intent of this Agreement or any part hereof.

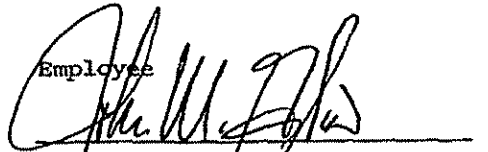

XXII.

ASSIGNMENT AND BINDING EFFECT


Employee shall not have the right to assign any interest Employee may have in this Agreement. Otherwise, the terms of this Agreement shall inure to the benefit of and shall be binding upon the heirs, administrators, successors and assigns of the parties hereto.

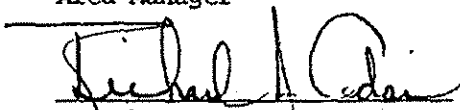
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year above written.

~~WITNESS~~  


Employee  
  
GMAC MORTGAGE CORPORATION OF PA  
By:   
Senior Vice President

THE FOLLOWING APPROVAL IS  
FOR INTERNAL PURPOSES ONLY  
AND IS NOT FOR THE PURPOSE  
OF BINDING THE EMPLOYER TO  
THIS AGREEMENT

Approved:   
Area Manager

  
Branch Manager

EASTERN/WESTERN REGIONS  
RESIDENTIAL LOAN ORIGINATOR EMPLOYMENT  
AND COMPENSATION AGREEMENT

EXHIBIT A

COMMISSIONS AND OVERAGES AND/OR SHORTAGES ON LOANS (Section III A.)

1. Employee shall receive as commission a percentage of each loan origination fee (loan origination fee being defined as an amount up to one percent (1%) of the loan amount collected by Employer from the mortgagor) collected at the time of closing on the following loans (government or conventional) originated by Employee:

- (a) **SPOT LOANS** (Loans described in Section III. A. 1.) and **GM EMPLOYEE LOANS** (Section III A.5.)

MONTHLY CLOSING VOLUME (\$)		COMMISSION
(Includes SPOT LOANS, GM EMPLOYEE LOANS, CONSTRUCTION TO PERMANENT LOANS AND AMOUNTS DRAWN AT CLOSING ON PURCHASE MONEY PIGGY BACK HOME EQUITY LINES OF CREDIT)		(as a percentage of the origination fee collected)
0	- 500,000	40%
500,001	- 750,000	50%
750,001	- 1,000,000	55%
1,000,001	+	60%

- (b) **BROKERED LOANS**

MONTHLY CLOSINGS	COMMISSION
	(as a percentage of the origination fee collected)
All	25%

- (c) **GMACM to GMACM Refinances**

MONTHLY CLOSINGS	COMMISSION
	(as a percentage of the origination fee collected)
All	25%

EASTERN/WESTERN REGIONS

RESIDENTIAL LOAN ORIGINATOR EMPLOYMENT  
AND COMPENSATION AGREEMENT

EXHIBIT A (Continued)

(d) CONSTRUCTION to PERMANENT LOANS (CPP Loans)

Commissions on CPP Loans will be computed in the same manner as if they were SPOT LOANS, subject to the following provisions:

- i. In determining when commissions on CPP Loans are earned, the words "the Loan closes" in the second line of Section III. A.1.(c) shall mean the date of the permanent loan closing by Employer and not the date of the construction loan closing.
- ii. If an origination fee (origination fees do not include cap fees, construction fees, etc.) of at least 1% of the anticipated principal amount of the permanent loan, Employee shall be paid a draw of twenty five (25) basis points of the commission amount on the last regularly scheduled payday of the month in which the CPP loan application was approved by underwriting and the origination fee was collected, subject however, to reduction to the extent there are Obligations due Employer under Section III A.1.(c). The balance of the commission will be paid in accordance with Section III A.1.(c).
- iii. In calculating monthly closing volume in Section I.(a) of this Exhibit for purposes of determining the commission amount, Employee shall receive credit for the CPP Loan the month the permanent loan closes.

If Employee does not close the permanent loan and Employer, in its sole discretion, determines that all or part of the origination fee collected should be returned to the applicant, Employee shall reimburse Employer for any CPP Loan draw amounts in the same manner as set forth in Section III.B. of this Agreement, except that any draws for CPP Loans shall not be reimbursable if Employee is not employed by Employer on the projected date of the permanent loan closing.

EASTERN/CORPORATE PROGRAMS/WESTERN/NRG REGIONSEXHIBIT A

(Effective 8/1/94)

**2. DIVISION OF OVERAGE AND CALCULATION OF OVERAGES AND/OR SHORTAGES**

The following schedule shows the division of monthly overages on a loan among Employer, Employee and the Branch Office. All monthly shortages will be netted against the monthly overages earned by the Employee and Branch Office on a monthly basis. If the net amount of overages vs. shortages is a positive amount ("Net Monthly Overage") the Employee and Branch Office shall equally divide the Net Monthly Overage. If the net amount is a negative amount ("Net Monthly Shortage") the Employee will be charged the entire Net Monthly Shortage. The Net Monthly Shortage shall be deducted from Employee commissions for the month the Net Monthly Shortage occurred to determine the net amount of commissions due the Employee. If the Net Monthly Shortage exceeds commissions for the month, the Net Monthly Shortage shall be carried forward as a shortage amount for the next and succeeding months until all Net Monthly Shortages are eliminated.

- (a) Spot Loan (including Non-GMAC Mortgage Portfolio Refinances) overage is paid according to the following:

<u>Price Type</u>	<u>Mktg. Programs</u>	<u>Rate/Price</u>	<u>Window</u>	<u>Overage Split</u>
Market - MK	All	At lock-in	0-14	50% Employee 50% Branch
Guaranteed - GY	All except VA	Locked at Application	0-30 0-63	50% Employee 50% Branch
Cap - CP	All except FHA/VA	To be determined later	0-270	50% Employee 50% Branch
Fixed - FX	VA only	To be determined later	0-63	50% Employee 50% Branch
(b) Brokered Production				25% Employee 25% Branch 50% to GMACM
(c) All GM Employee Loans				No Overage permitted

EASTERN/CORPORATE PROGRAMS/WESTERN/NRG REGIONS

EXHIBIT A - Continued

(Effective 8/1/94)

3. In addition to the commission and overage schedule set forth in Section 1 and 2 of this Exhibit, if the total monthly closed loan volume exceeds \$1,500,000, Employee shall be eligible for an additional 10% of the origination fees collected on the total loan volume that is eligible for 60% commission. The additional commission shall be earned and paid to the Employee in the twelfth month following the month in which the loans were closed, provided the Employee is employed by GMAC Mortgage at the time the additional 10% commission would otherwise be paid.

Loans that are eligible for the additional 10% commission will be defined as those loans that are currently eligible for 60% commission when monthly loan volume exceeds \$1,000,000. Loans that are not eligible for 60% commission (e.g., express refinances, certain bond loans and home equity lines of credit) will not be eligible for the additional 10% commission but will count toward the \$1,500,000 threshold for eligibility of the additional 10% commission, provided the loans would otherwise count toward the existing \$1,000,000 threshold for 60% commission. The 30 year "Excellent Tier" fixed rate closed loan volume (product ID 5000-2000 non-conforming) will not be eligible for the additional 10% commission, however, "Excellent Tier" volume will count toward the \$1,500,000 monthly threshold for eligibility for the additional 10% commission.



EASTERN/CORPORATE PROGRAMS/WESTERN REGIONS

EXHIBIT B

COMPENSATION FOR HOME EQUITY

COMPENSATION FOR OTHER SERVICES (Ancillary Products Section III.C.)

The Home Equity Incentive Program provides monetary incentives for the production of key ancillary products. Eligible for these incentives are Branch Loan Officers, NRG Loan Officers and producing Branch and Area Managers.

The incentive award schedule is as follows:

PRODUCTS

Purchase-Money Piggybacks (draw for purchase money and closing costs)  
Credit -Only Piggybacks (no draws at concurrent first mortgage closings)  
Stand-Alone Origination (closings not in conjunctions with first mortgage closings)

COMMISSIONS

The following commission schedule is for the described products, excluding products which qualify for GM Card rebates. Commissions on products with GM Card rebates will be 50% of the up-front commissions otherwise payable for those products (no annuity commissions will be paid).

PURCHASE-MONEY PIGGYBACKS:

UP FRONT COMMISSIONS

Commissions will be computed on the amount drawn on the line of credit at the time of loan closing. The commission will be the product of the amount drawn x the commission percentage for SPOT LOANS in Exhibit A provided that the minimum commission will be \$100 and the maximum commission will be \$600\*.

\*Until a commission support system is available, the compensation structure for all loan volume will be 50 basis points with a minimum commission of \$100 and a maximum commission of \$500.

CREDIT ONLY PIGGYBACKS AND STANDALONES:

UP FRONT COMMISSIONS

\$100 per closed loan.

ANNUITY COMMISSIONS

Year 1	Year 2	Year 3
10 bps	20 bps	30bps

Based on Average Annual Balance as determined below

**AVERAGE ANNUAL BALANCE:**

- ♦ The average annual balance is determined by adding the twelve average monthly balances during the loan anniversary year and dividing by twelve. The average monthly balance is determined as follows: 1) The daily balance is determined by taking the beginning balance of the account each day during the monthly billing cycle, adding new advances, and subtracting new payments and credits. 2) All the daily balances during the billing cycle are added together and divided by the number of days during the monthly billing cycle.

**ADDITIONAL PROGRAM RULES:**

- ♦ Notwithstanding any other provision of this Agreement, up-front commissions are earned only if the line of credit is outstanding at the expiration of one year from the date of loan closing. If the line of credit is paid off and satisfied on the public records within one year after the loan closing, the up-front compensation previously paid will be netted against future compensation of any kind from the employer.
- ♦ This schedule assumes the sale of standard home equity line of credit products.
- ♦ Up-front commissions will be paid 45 days after the month the loan is closed. Annuity commissions will be paid not later than the end of the calendar month following the loan closing annual anniversary date.
- ♦ In the event employee terminates, Employee will be eligible to receive compensation in accordance with Exhibit D.
- ♦ Annuity commissions will continue to be paid if GMACM sells the loan with servicing retained. If the loan servicing rights are sold with the loan, annuity commissions will continue during the three (3) year period after closing. They will be paid no later than the end of the month following the annual loan anniversary based on the outstanding principal balances at the time of loan sale.
- ♦ If closing costs are erroneously changed on a loan due to Employee's failure to correctly advise the applicant of the closing costs to be incurred, the amount of the incorrectly charged costs will be deducted from Employee's future commissions.
- ♦ No commissions will be paid for refinancing an existing home equity line of credit.
- ♦ No commissions will be paid for Standalones which would have been eligible for up to 90% CLTV financing at the time of the first mortgage loan with Employer, if the Standalone is originated and closed within six months after the first mortgage loan closing.
- ♦ No commissions will be paid for bridge loans.

**Notes:**

1. Compensation for Purchased Money Piggyback Home Equity Line will be paid only if the Purchased Money Piggyback Home Equity Line closes simultaneously with the first mortgage loan.

2. The compensation for all home equity lines will be paid in standard payroll form. Normal withholdings will be deducted from the gross compensation.
3. Additional incentives may be announced from time to time by the RCS division and will be awarded in accordance with the terms of the announcement.
4. In the event an Employee should transfer within the company to a non-producing position, Employee shall remain eligible to receive all due compensation on loan fundings post transfer date. Compensation is to be paid in accordance with Program Rules and notes 1 and 2 of this Exhibit.

EASTERN/CORPORATE PROGRAMS REGIONS

EXHIBIT C

EXPENSE REIMBURSEMENT (Section III D.)

Employee shall be entitled to an auto allowance and/or reimbursement of business auto expenses through expense/mileage vouchers as outlined below.

Employee's entitlement to an automobile allowance or expense reimbursement is within the sole discretion of Employee's Branch Manager. If entitled, Employee must drive a current model year (1995) or two prior model years (1993-1994) GM automobile. Proof must be submitted to Branch Manager/Area Manager via copy of a lease agreement or vehicle registration and forwarded to the Regional Office for retention.

In lieu of, or in addition to the automobile allowance, and again, within the sole discretion of Employee's Branch Manager, Employee may be entitled to an expense reimbursement for expenses incurred to promote the Employer's business. Reimbursable expenses include, but are not limited to the cost of purchasing or leasing and operating pagers and car phones. Approval of an expense is within the sole discretion of the Branch Manager. For that reason, an Employee is encouraged to ensure that a particular expense will meet the approval of the Branch Manager.

EASTERN/CORPORATE PROGRAMS/WESTERN REGIONS

EXHIBIT D

COMPENSATION AFTER TERMINATION (Section IX)

For the purposes of determining compensation after termination, the term "termination" refers to either (a) the date Employer terminates Employee or (b) the date Employee notifies Employer that Employee will be terminating Employee's employment with Employer, whichever is applicable.

For example, in the case where Employee gives notice to Employer on January 1 that Employee will be leaving January 15, January 1 is the date of termination. In the event an Employee terminates and it is found that Employee, during Employee's period of employment with Employer, was employed in any capacity (employee, independent contractor, agent; etc.) for (a) the origination, processing, closing or underwriting of mortgage loans (including second mortgage loans) or (b) any other business in which the Employer or any of its affiliate corporations are engaged, the effective date of Employees termination shall be the most recent date Employee commenced employment with the other employer. In addition, after such date, (a) Employee shall not be entitled to any short term or long term disability (b) and any commissions or overages for loans closed after such date shall not be deemed to be earned.

Commissions are due only for loans that are closed prior to and including the date of termination. Notwithstanding the foregoing, in the event of Employee's short term or long term disability (as those terms are defined in Employer's disability plan in effect at the commencement of the disability), or in the event of Employee's death, Employee or Employee's estate, as applicable, will be entitled to commissions and overages on all loans in the Employee's pipeline at the time of disability or death, subject to all federal, state and local withholdings and subject to further reduction as provided in Section III. of this Agreement. The provisions of this paragraph with respect to the entitlement of commissions and overages shall no longer be applicable in the event of Employee's termination while Employee is on short term or long term disability, i.e. earned commissions and overages will be paid only on loans closed on or before the date of termination.

In the event Employee is on a leave of absence at the time of Employee's termination and was employed by another lender for any period during the leave of absence, the commissions and overages that otherwise would have been earned during the period of the leave of absence shall be deemed not to have been earned by Employee and Employee shall not be entitled to any payment for such amounts. If the Employee has received any payments to which Employee is not entitled under this paragraph, Employee shall reimburse Employer for the payments on demand. To the extent Employer is not reimbursed, Employer may treat such amounts as Obligations under Section III.A.1.(c) of this Agreement.

Payment of any earned commissions and overages due will be made in a lump sum on the first regularly scheduled commission pay day after final calculation of the commissions due, but not later than 90 days after termination. All unreimbursed draws or other deficit commission account positions and Obligations as defined in Section III.A.1.(c) of this Agreement will be offset against the payment. The foregoing items will be offset regardless whether such items occurred prior to, during or after the term of this Agreement, for loan applications taken by Employee

and any losses sustained by Employer as a result of a breach of this Agreement by Employee.

To the extent Employee is entitled to any gift, prize, award or bonus under any program, such gift, prize, award or bonus must be redeemed not later than the date of termination.

In the event Employee transfers within the company to a non-producing position, Employee shall remain eligible to receive all earned compensation on loans closed within 90 days after the transfer date.

ADDENDUM

GMAC MORTGAGE CORPORATION  
FAIR LENDING GUIDELINES

- 0 All loan applicants are to be treated equally and will not be discriminated against based upon any of the following factors (prohibited factors) :
- Race or color;
  - Religion;
  - National Origin;
  - Sex;
  - Marital status;
  - Age (provided the applicant has the capacity to contract);
  - The applicant's receipt of income derived from any public assistance program;
  - The applicant's exercise, in good faith, of any right under the Consumer Credit Protection Act;
  - Familial status (defined as children under the age of 18 living with a parent or legal custodian, pregnant women and people securing custody of children under 18);
  - Handicap
- 0 Employee may not, because of a prohibited factor:
- Fail to provide information or services or provide different information or services regarding any aspect of the lending process, including credit availability, application procedures, or lending standards;
  - Discourage or selectively encourage applicants with respect to inquiries about or applications for credit;
  - Refuse to extend credit or use different standards in determining whether to extend credit;
  - Vary the terms of credit offered, including the amount, interest rate, duration, or type of loan;
  - Use different standards to evaluate collateral;
  - Discriminate because of the characteristics of:
    - o A person associated with a credit applicant (for example, a co-applicant, spouse, business partner, or live-in-aide); or
    - o The present or prospective occupants of the area where property to be financed is located.
- 0 Employee may not express, orally or in writing, a preference based on prohibited factors or indicate that it will treat applicants differently on a prohibited basis.
- 0 Employee will make reasonable accommodations for a person with disabilities when such accommodations are necessary to afford the person an equal opportunity to apply for credit.

EASTERN/CORPORATE PROGRAMS/WESTERN REGIONS

EXHIBIT E

ORIGINATION PRODUCTION STANDARDS

John M. Gaglia  
Name (Typed)

Bedford, NH  
Branch (Typed)

Currently employed Sales Managers and Loan Officers employed over three (3) months:

Minimum of \$500,000 per month in new loan applications. This must be maintained on a monthly basis.

Sales Managers and Loan Officers employed three (3) months or less:

Production will be as outlined by the employment offer letter during the first 2-3 months then \$500,000 per month afterwards.

If these production levels are not obtained and maintained on a monthly basis the following conditions will be required:

The second consecutive month that \$500,000 is not attained the Originator will be placed on written warning and be subject to termination at the end of any month that the production standard is not met.

Nothing contained herein shall limit the right of GMAC Mortgage to terminate the employment relationship as set forth in the employee's employment agreement.

Date: 9/9/96

Acknowledged and  
Agreed To:

John M. Gaglia  
Employee

Richard J. Adams  
Witness



Examples of Violations of Fair Lending Guidelines:

A. Two minority loan applicants were told that it would take several hours and require the payment of an application fee to determine whether they would qualify for a home mortgage loan. In contrast, a loan officer took financial information immediately from nonminority applicants and determined whether they qualified in minutes, without a fee being paid.

B. A loan is made with a higher interest rate, points or more onerous loan terms because of the predominant race, national origin, etc., of the neighborhood in which the property is located.

C. A nonminority couple applies for a loan. The lender found adverse information in the couple's credit report. The lender discussed the credit report with them and determined that the adverse information, a judgment against the couple, was incorrect since the judgment had been vacated. The nonminority couple was granted their loan. A minority couple applied for a similar loan with same lender. Upon discovering adverse information in the minority couple's credit report, the lender denied the loan application on the basis of the adverse information without giving the couple an opportunity to discuss the report.

D. Two minority borrowers inquired with a lender about mortgage loans. They were given applications for fixed-rate loans only and were not offered assistance in completing the loan applications. They completed the applications on their own and ultimately failed to qualify. Two similarly situated nonminority borrowers made an identical inquiry about mortgage loans to the same lender. They were given information about both adjustable-rate and fixed-rate mortgages and were given assistance in preparing applications that the lender could accept.

E. A minority borrower and a nonminority applicant applied for mortgage loans for the same principle amount. The credit profile of each applicant was substantially similar. There were no other distinguishing underwriting issues. The minority applicant was charged 75 basis points for a par loan. The nonminority applicant was charged 50 basis points for a par loan.

The undersigned acknowledges receipt of these Fair Lending Guidelines .

Dated: 9/9/90

Employee 

## FIRST AMENDMENT

### 1995 RESIDENTIAL LOAN ORIGINATOR EMPLOYMENT AND COMPENSATION AGREEMENT FOR EASTERN AND WESTERN REGIONS

The Corporation ("Employer") is making several changes to the Residential Loan Origination Employment and Compensation Agreement ("Agreement") for the Eastern and Western Regions, effective for loan applications taken on or after January 1, 1995. These changes are set forth as follows:

- The heading for section 1(d) of Exhibit A "CONSTRUCTION TO PERMANENT LOANS (CPP Loans)" is deleted and the following substituted in lieu thereof:  
  
"1 (d) CONSTRUCTION TO PERMANENT LOANS (CPP LOANS) and PERMANENT LOANS FOR NEW CONSTRUCTION (PLNC LOANS)" to CPP Loans and PLNC Loans.
- All references to CPP Loans in this Section with the exception of Section 1.(d)(i), shall apply equally to CPP Loans and PLNC Loans.
- The third bullet point underneath heading "Additional Program Rules" of Exhibit B is amended by adding the following as the third sentence: "Notwithstanding the foregoing, until a commission support system is available, all commissions will be paid within sixty (60) days after quarter-end and not 45 days after the loan is closed. This will also apply to annuity commissions."
- Add the following statement to the end of the first paragraph of Section III A.1.(b) on page 3 of All references to CPP Loans in this Section with the exception of Section 1.(d)(i), shall apply equally the Residential Loan Origination Compensation Agreement: "The rate and points ("price") for an applicable commitment may be established at the Branch level. In such cases overages and shortage shall be calculated upon the price set by Employee's Branch office."
- The second paragraph of Section III. A.1. (b) on page 3 of the Residential Loan Originator Compensation Agreement is deleted and the following is substituted in lieu thereof:  
Although overages are not a part of Employer's customary lending practice, overages, if any, are not to be charged based on any of the prohibited factors set forth in the Fair Lending Guidelines. Neither rates nor points to minorities or other members of a protected class (persons having one or more of the prohibited factors as set forth in the Fair Lending Guidelines) can vary from those charged to nonminority or non-protected class applicants having similar credit profiles. Employee must exercise the utmost

diligence to ensure that such variances do not occur. Overages on FHA insured loans can be charged only if the overage when added to other pricing variations for similar loan types, in the same MSA (or, if the Branch office is not located in an MSA, the jurisdictional area of the local Hud field office) do not exceed an allowable tiered pricing variation of 2%. Employee should review any questions regarding that policy with Employee's Manager. As part of its auditing procedures, the Internal Audit Department will audit Employee's loan files for compliance with the requirements of this paragraph. To the extent it is determined that overages were imposed in violation of the requirements of this paragraph ("excess overages"). Employee is liable to Employer for the amount of the excess overages. The excess overages will be an obligation of Employee to be recovered by Employer in accordance with Section III.A.1.c of this Agreement.

**Effective for General Motors Corporation (GM) Employee Loan closings on or after April 1, 1995, these changes are set forth as follows:**

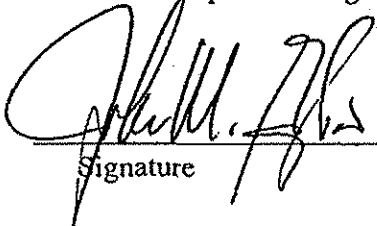
- Section III. A.5. "GM Employee Loans" (page 5 of Agreement)

From time to time, Employer shall establish the amount of the origination fee that will be charged on a Loan to an employee of General Motors Corporation or any direct or indirect subsidiary thereof. Structuring these Loan transactions in such a way to provide "overage" is prohibited and against company policy. Commissions will be paid in accordance with Exhibit A. Employee shall not be entitled to an origination fee for Loans to employees of GMAC Mortgage Corporation or any direct or indirect subsidiary thereof.

- Exhibit A 1.(a)

For GM Employee loans closed between, January 1, 1995 and March 31, 1995 Employee's commission will be based on an origination fee not to exceed 50bps, regardless of the origination fee actually charged to the General Motors Corporation employee. Effective April 1, 1995 and thereafter Employee shall receive commissions on GM Employee Loans equal to 30% of the origination fee collected, and no more. GM Employee Loans will continue to be included in the monthly closing volume for purposes of calculating commissions on all other loan types under section 1 (a).

In all other respects the Agreement shall remain in full force and effect.

  
Signature

  
Date

SALES MANAGER ADDENDUM

NAME OF EMPLOYEE: John M. Gaglia

In addition to Employee's present Loan Officer responsibilities, Employee hereby accepts the responsibilities as Sales Manager under the terms of the Residential Loan Originator Employment and Compensation Agreement ("Agreement") for the office located at

3 Executive Park Drive Bedford, NH. 03110  
or such other location as Employer may from time to time designate, commencing on 4/3/96 and continuing until terminated, with or without cause. In the event of a conflict between the terms and conditions of any oral or written employment policy of Employer, the terms and conditions of this Agreement shall govern.

As Sales Manager, Employee is responsible for the training, motivation and direction of the Loan Officers including the monitoring of each respective Loan Officer's production under Employee's charge. Training should include systems, procedures, program knowledge, company policies, and sales techniques. Sales training includes preparing Loan Officers for solicitation of business by developing necessary marketing strategies.

As Sales Manager, Employee's compensation shall consist of the following:

COMMISSIONS: To be paid in accordance with the Agreement.

SALARY : \$25,000. per year

BONUS : see attached

The Bonus, if any, for any calendar quarter will be deemed earned and payable to the Sales Manager only if (a) the Sales Manager is employed for the entire calendar quarter and (b) Sales Manager's commission account is reconciled by Employer to offset the Obligations set forth in Section III.A.1.(c) of the Agreement (for the purpose of the payment of any Bonus, Employee agrees that said Obligations shall be offset against any Bonus calculation) and (c) the Sales Manager is employed by GMACM at the time the Bonus is payable.

The amount of the bonus earned by Employee is within the sole discretion of the Area/Branch Manager and will be dependent upon the following criteria being met to the satisfaction of the Area/Branch Manager:

- (a) Satisfactory audit findings and delinquency levels;
- (b) Production volume and cost to produce being within the targets set by management;
- (c) Effective execution of administrative responsibilities and
- (d) Exhibited commitment to the Total Customer Satisfaction program of Employer.

[Signature] 9/4/96  
Area Mgr Date

[Signature] 8/10/96  
Sales Mgr Date

[Signature] 9/10/96  
Regional Mgr Date

[Signature] 8/10/96  
Branch Mgr Date